

IDENTIFYING ISSUES FOR MINORITY AND ETHNIC IMMIGRANT BUSINESS OWNERS IN SEATTLE,
WA IN LEVERAGING MARKET AND SOCIAL CAPITAL

Identifying Issues for Minority and Ethnic Immigrant Business Owners in Seattle, WA in Leveraging
Market and Social Capital

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Abstract

Ethnic entrepreneurship presents the greatest opportunity to leverage market and social capital for economic growth and diversity while enabling greater mobility for disenfranchised populations. The challenges for minority business owners, such as proportionally high presence in low wage, high labor industries, illustrate the restriction from accessing more lucrative opportunities due to insufficient social, human and financial capital. Small and medium minority enterprises do not receive the institutional support or economic resources as white business owners, making them more susceptible to stagnation or failure. Demographic shifts in Seattle present an opportunity to forward a progressive and inclusive economic agenda for supporting thriving Main Street businesses and innovative companies. At the moment, minority entrepreneurs do not receive political consideration as a constituency or institutional support as economic drivers; coupling quantitative data on the demographic shifts with survey data from business owners will identify the issues withholding opportunities and a route to economic revitalization.

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Introduction

As competition for resources increases amidst growing constraints to economic diversification, business owners increasingly rely on an entrepreneurial mindset to convert opportunities with limited resources. Therefore, minority entrepreneurs continue to be identified as the catalysts of innovation to find the next big thing through a shrew perspective and resourcefulness. However, the majority of businesses owned and operated by these economic catalysts perform on thin profit margins with less than a handful paid employees due to restrictions on their access to necessary social, economic and human capital. Minority business owners perform a vital role operating businesses on Main Street to the Seattle tech hub; this study seeks to take a snapshot of the economic conditions to determine how to enable continuous growth and innovation.

The study will examine the proportional contribution of minority enterprises to the main industry sectors using the Economic Census and the Business Owner Survey from 2007 to 2012 in preparation for the release of the 2017 data at the end of the year. The investigation will consider a number of economic characteristics to measure the growth or decline in the worth of minority enterprises and determine the effect of shifting market forces and participation of institutional actors. Amidst the differences in business models, goals and mechanisms between differing ethnic and racial groups, exploring the contribution of the various minority groups to the industries and their performance in the market will provide insights into developing small and medium enterprises in a growing economy. Seattle will continue to see population growth amongst ethnic and racial minorities while the white population stagnates; establishing them in an economically secure and socially integrated environment help provide opportunities for the next generation.

Literature Review

The study of minority enterprise in Seattle and the factors affecting their market performance includes the consideration of economic and social indicators and their access to markets, capital and opportunities. In the literature, minority enterprise is described as businesses with majority ownership by an individual from a race or ethnicity different than the majority population; in the United States, the main classifications include Black or African-American, Hispanic/Latino, Asian, Native Hawaiian and other Pacific Islander, and American Indian, according to the US Census Bureau. Minorities also encompass ethnic immigrant and refugee populations (Fiscal Policy Institute 2015). The literature informs the state of minority enterprise in Seattle through its examination of their access to social, financial and human capital, the dynamics of minority firms and employees, and the social and economic factors limiting their opportunities in the market amidst the projected increase as a share of the population. In the conversations extolling the importance of reducing economic inequality between minority and majority populations and providing greater opportunities for the disenfranchised, entrepreneurship serves as a main avenue of increasing economic mobility, yet challenges connecting mobility to equality remain.

Fairlie and Robb utilize census data to examine the factors affecting black-owned businesses to be less successful than white-owned businesses, determining social networks, asset inheritance and human capital to be areas of profound disparity between the two groups. "Low levels of education, assets and parental self-employment" hinder the development of a pipeline of minority entrepreneurs, a partial rationale for why three times as many white workers than black workers, by percentage of population, are self-employed (Fairlie & Robb 2007). Human capital related to managing a business largely develops through employment in a family business, while a lack of assets restricts access to financial capital due to the lack of available collateral. Without available financial capital for investment and higher-level education, black workers are left out of lucrative markets and employment opportunities. Consequently, "black-owned firms have lower revenues and profits, hire fewer employees, and are more likely to close than white-owned businesses" (Fairlie & Robb 2007). While current minority business development programs aim to reduce the financial constraints for minority enterprises, lack of work experience continues to result in significant negative business outcomes.

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Valdez expands on the assertions of Fairlie and Robb regarding the lack of adequate human capital available to minority business owners, examining the effect of social capital on the earnings of White, Korean, Mexican and Black business owners in the US. The examination considers differences in social behaviors amongst minority groups as a factor in the performance of their businesses, such as converting family networks into economic resources. Essentially, “*human capital* such as skills, education and experience; *market capital*, which includes tangible material goods related to class background; and *social capital*, a more intangible resource that fosters group-based solidarity, trust and reciprocal obligations, combine to facilitate ethnic entrepreneurship” (Valdez 2008). The study shows Non-Hispanic Whites and Korean business owners earn more, have greater experience and can access more financial capital than Mexican and Black business owners, largely due to higher levels of education and institutional and familial relationships, illustrating key differences in access to critical human, social and financial capital amongst minority entrepreneurs (Valdez 2008). However, access to human and market capital, whether from personal funds or borrowed from market institutions, increases the earnings of Black, Mexican and Korean owners alike.

The trend of minority business owners continues to shift to becoming an increasingly disproportionate percentage of all business owners, especially ‘Main Street’ businesses like retailers, restaurants and personal services, as population growth of minorities outpaces White populations. While 13% of the total US population, immigrants make up 16% of the labor force and 28% of Main Street business owners (Fiscal Policy Institute 2015). However, due to their restriction to marginal business fields with thin profit margins in the industries of “Retail, Food and Accommodations, and Neighborhood Services”, Main Street business owners earn 13 percent of business earnings while representing 18% of all business owners (Fiscal Policy Institute 2015). While minority small business owners earn less than their White counterparts, they provide an important platform for second-generation family members to break out of the line of business into more promising markets and industries by providing opportunities to gain work experience and higher education and access financial capital (Rezaei 2007).

As the studies above present a national perspective on the challenges of minority entrepreneurship, the Seattle Community of Practice – African Financial Capability Initiative addresses in their “Voices Rising” report a number of challenges for the African-American community in Seattle to

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close disparities in wealth creation and growth opportunities. Rapid gentrification, a regressive structure of taxation, unequal education opportunities and difficulties in social engagement undermine the capacity for individuals and business owners to afford to live and work in the city of Seattle (SCP-AAFCI 2017).

Due to the concentration of the African-American population and businesses in the neighborhood of Rainier Valley, the factors affecting minority small business owners become exasperated at the neighborhood level, reducing opportunities for growth and revitalization.

Approach/Methodology

The approach for the study examined the economic wealth of small and medium enterprises owned by ethnic minorities, including self-identified Black, Hispanic and Asian respondents, using local census data and survey data of business owners in Seattle, WA. The analysis included examining the responses in 2007 and 2012 editions of the Business Owners Survey published by the US Census Bureau to illustrate changes in business ownership, business size, market sector size, number of employees and the employee payrolls. Examining these business traits showed the performance of minority firms, notably those with and without paid employees, cumulatively and by industry sector between 2007 and 2012 in relation to the general performance of the market. Firms were classified as those with and without paid employees and under majority ownership by a White individual or an individual of an ethnic or racial minority classification, such as Black or African-American, Asian, Hispanic/Latino, Native Hawaiian and other Pacific Islander, American Indian or Alaska Native or some other race. While more detailed sub-categories of ethnicity and race were described in the responses, using the general ethnic and racial classifications allowed comparison across industry sectors with less detailed descriptions of the respondents' ethnic or racial classification.

Using the data from the 2007 and 2012 editions of the Business Owners Survey ordered by the racial or ethnic classifications in spreadsheet software, changes were calculated in the overall number of establishments with and without paid employees, the number of minority firms with and without paid employees, and the number and market share of minority firms in industry sectors identified by two-digit NAICS codes. The industry sectors include: Agriculture (11), Construction (23), Manufacturing (31-33), Wholesale trade (42), Retail trade (44-45), Transportation (48-49), Information (51), Finance and insurance (52), Real estate and renting and leasing (53), Professional, scientific and technical services (54), Management of companies and enterprises (55), Administrative and support and waste management and remediation services (56), Educational services (61), Health care and social services (62), Arts, entertainment, and recreation (71), Accommodation and food services (72), and Other (81). For comparison, the following categories from the 2007 and 2012 editions of the Economic Census of the United States served as indicators of the economic growth of Seattle-area businesses between 2007 and 2012: total number of establishments, total number of employees, total employee payroll, market share of

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industry by payroll and mean employees per establishment. Comparing the data of the Business Owners Survey and the Economic Census identifies market changes in productivity per employee, distribution of employees, and income disparities between industries in the context of changes in the number and size of minority firms and their market share.

As the data from the Business Owner Survey and the Economic Census illustrates the economic context of minority firms in Seattle, population data from the US Census in 2000 and 2010 and the American Community Survey from 2011 to 2015 shows the social and demographic changes in the city of Seattle and a number of select neighborhoods. The neighborhoods are geographically denominated by zip codes containing organic agglomerations of ethnic communities designated as White, Black or African-American, Hispanic/Latino, Native Hawaiian and other Pacific Islander, Native American or Alaskan Native, Other race, and Two or More races, according to the classifications of the US Census Bureau. The designated neighborhoods include Rainier Valley, University District, Capitol Hill, Queen Anne/South Lake Union and the International District, constituting unique clusters of populations and businesses illustrating the heterogeneous diversity within the city of Seattle. The data from the US Census and the American Community Survey illustrates changes in population and demographics from 2000 to 2015, shown as shifts of the minority and white populations into and away from the selected neighborhoods.

The use of economic and social data to measure the performance of minority firms in the market and the shifts within industry sectors aims to indicate changes in the presence of enterprises owned by ethnic and racial minorities identified as Black or African-American, Asian, Hispanic/Latino, American Indian and Alaskan Native, and Native Hawaiian and other Pacific Islander. Using the number of firms without paid employees serves as a proxy indicator for entrepreneurial health in the Seattle market as almost all small to medium enterprises start with an owner and fewer than five employees (Rezaei 2007). Additionally, noting changes in the market share of minority firms and disparities in employee incomes across different industry sectors illustrates issues of market access for minority owners, whether due to inadequate social, economic or human capital. Considering the ethnic-local model discussed by Rezaei to classify minority businesses under the qualities of ethnic vs non-ethnic and local vs. non-local to describe the services and goods and the customer base, respectively, indicate their capacity and the opportunity to

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expand beyond marginal business fields. These qualities may be discernable after overlaying the social and economic data to illustrate the change in minority firms and populations in relation to the general population and market.

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Results

The analysis of the survey data and the census data captured from the US Census Bureau followed two steps: provide a context to measure the performance of minority entrepreneurs by illustrating changes in demographics and population in Seattle, then examine the presence of minority firms within the main industry sectors of Seattle over a similar time timeline.

The changes in the demographics of the population of Seattle between 2000 and 2015 in a number of select neighborhoods can be seen in Table 1 below, illustrating the diversity in the population and the lack of homogeneity across the city. As the total population of Seattle grew by 16% from 2000 to 2015, the non-white population increased six percentage points greater than the white population, showing especially high growth amongst the Asian and Hispanic/Latino populations. At the neighborhood level, Rainier Valley saw an increase of the white population by five percentage points while maintaining the highest concentration of non-white populations. The University District, South Lake Union and the International District saw increases in non-white populations, while black populations remained stagnant or fell in all neighborhoods except for South Lake Union. As select minority populations substantially outpaced the growth of the white population, the percentage of self-employed workers fell by a full percentage point, indicating a decrease in entrepreneurship amidst an increase of human capital and market growth.

Selected Neighborhood Demographics 2000-2015 (Seattle, WA)							
Zip Code			98118	98105	98122	98119	98104
Neighborhood	City of Seattle	City of Seattle	Rainier Valley	University District	Capitol Hill	South Lake Union	Int. District
	2015	% Change					
Total Population	653,017	16%	44,839	45,515	35,052	23,912	13,690
White	430,085	12%	13,205	29,652	22,097	19,048	6,025
% Non-White	34.1%	6%	70.6%	34.9%	37.0%	20.3%	56.0%
Asian	92,332	25%	13,629	9,435	3,566	1,592	3,547
Black	46,391	-2%	10,646	796	4,392	644	1,985
Hispanic/Latino	42,490	43%	4,594	2,191	2,339	1,029	1,086
Native Hawaiian/Pac. Isl.	2,509	-11%	261	153	28	28	47
Am. Indian	3,695	-35%	183	206	252	163	383
Other	1,197	-91%	39	145	58	73	14
Two or more races	34,318	36%	2,282	2,937	2,320	1,335	603
Self-employed	6.1%						

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2000							
Total Population	563,374		40,791	38,963	28,790	19,662	13,095
White	382,532		10,110	29,527	15,626	17,075	6,054
% Non-White	32.1%		75.2%	24.2%	45.7%	13.2%	53.8%
Asian	73,910		13,925	5,396	2,259	861	2,635
Black	47,541		10,595	796	7,196	403	2,617
Hispanic/Latino	29,719		2,941	1,426	1,998	604	947
Native Hawaiian/Pac. Isl.	2,804		649	96	136	35	70
Am. Indian	5,659		406	247	333	130	344
Other	13,423		1,584	478	866	224	365
Two or more races	25,148		2,650	1,669	1,528	620	593
Self-employed	7.0%						

Table 1 Neighborhood Demographics 2000-2015, US Census Bureau

Shifting from the demographics of the general population, the data in Table 2 below uses two-digit NAICS codes and data provided by the 2012 Business Owners Survey from the US Census Bureau to illustrate the market composition with the main industry sectors and the distribution of minority firms throughout the economy. Reflecting on the population percentages above in Table 1, Black and Asian firms stand in rough equivalent ratio to their populations, yet Hispanic/Latino business owners are underrepresented by a couple percentage points. It could be an indicator that incumbent business owners have an advantage over more recent arrivals to the market; Black business owners retained their percentage of minority firms despite stagnant population growth as the number of Hispanic/Latino business owners does not match their population growth.

Considering minority firms constitute 19.9 percent of all establishments in Seattle, it can be determined in which industry sectors minority firms are under- or overrepresented; Transportation represents a substantial outlier with almost 62%, almost half with Black or African American owners in firms without employees. As White business owners dominate ownership of businesses across almost all sectors, excluding more labor-intensive work like transportation, healthcare and accommodation and food services, their firms are also more likely than minority firms to have paid employees, increasing their earnings and developing human capital. As Black and Hispanic/Latino constitute similar levels of business ownership across most industry sectors, Asian business owners outperform them both in the majority of industry sectors, relative to their population.

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Demographics of Seattle Business Owners, by Industry Sector (2012)								
Industry	Market Share	% Minority Firms	% Firms w/o Emps	% Min. Firms w/o Emps	% White	% Black	% Asian	% Hispanic /Latino
2012		19.9%	74.5%	78.7%	79.3%	5.1%	10.7%	3.1%
Agriculture	0.6%	10.6%	87.5%	89.1%	90.2%	0.0%	0.0%	0.0%
Construction	4.7%	13.4%	61.5%	77.5%	88.2%	1.5%	8.4%	3.0%
Manufacturing	2.2%	13.0%	54.9%	67.6%	81.6%	1.5%	9.4%	0.0%
Wholesale Trade	2.3%	15.5%	35.4%	50.7%	74.1%	1.5%	11.0%	2.0%
Retail Trade	6.5%	24.2%	62.2%	64.5%	75.2%	4.2%	15.6%	3.8%
Transportation	2.7%	61.9%	83.6%	96.7%	34.7%	48.2%	9.2%	4.9%
Information	3.2%	15.2%	75.2%	82.7%	83.7%	2.7%	8.8%	2.8%
Finance and Insurance	3.0%	10.5%	63.5%	75.0%	75.4%	1.6%	7.1%	0.0%
Real estate and rental and leasing	10.9%	10.9%	84.5%	87.7%	82.9%	0.9%	8.6%	0.6%
Professional, scientific, and technical services	26.7%	14.7%	79.1%	87.1%	87.3%	2.5%	7.9%	3.3%
Management of companies and enterprises	0.2%	0.0%	0.0%	-	0.0%	0.0%	0.0%	0.0%
Administrative and support and waste management and remediation services	4.7%	30.2%	73.4%	91.3%	71.8%	9.0%	12.7%	7.3%
Educational services	3.9%	17.9%	84.4%	95.5%	78.2%	5.8%	9.8%	2.1%
Health care and social assistance	8.8%	24.9%	69.3%	72.5%	70.7%	8.0%	12.5%	3.0%
Arts, entertainment, and recreation	8.6%	14.3%	93.4%	97.1%	89.1%	3.4%	6.3%	3.2%
Accommodation and food services	3.7%	37.3%	29.0%	17.6%	60.6%	3.4%	27.3%	3.9%
Other	7.5%	32.5%	80.7%	81.2%	71.2%	8.9%	18.3%	4.4%

Table 2 Demographics of Seattle Business Owners, 2012, US Census Bureau

Examining the changes in the demographics of Seattle business owners from 2007 to 2012 illustrates how the shifts in the population's demographics translate into the makeup of the economy. An increase in minority firm ownership by 18.5% across the economy as the proportion of white business owners stagnates indicates a healthy growth of ethnic entrepreneurship amongst all main population groups. Increases in firms without employees in the wholesale, retail and construction industries could

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indicate a growth in the minority customer base in the local economy and transfer of work experience into business ownership. The expansion of minority firms into industry sectors suffering a contraction in market share could indicate lower barriers for entry or less competition from incumbents; conversely, minority firms expanded in growing sectors whilst white ownership fell across the board. While the largest relative increase of firms was in the Information industry, as can be expected in Seattle's booming tech hub, the second and third largest increase was in the food and accommodations, healthcare and administrative support industries, replicating growth in low profit, labor-intensive industries.

% Change in Demographics of Seattle Business Owners, by Industry Sector (2007-2012)								
Industry	Market Share	% Minority Firms	% Firms w/o Emps	% Min. Firms w/o Emps	% White	% Black	% Asian	% Hispanic/Latino
		18.5%	3.4%	3.1%	-0.4%	35.5%	8.6%	22.4%
Agriculture	-39.0%	-28.5%	15.9%	Withheld	9.5%	0.0%	-100.0%	-100.0%
Construction	-14.7%	26.5%	24.0%	12.8%	0.3%	150.0%	29.3%	20.6%
Manufacturing	1.2%	-1.1%	21.2%	-2.2%	1.5%	-52.6%	6.8%	-100.0%
Wholesale Trade	-17.9%	11.1%	-14.1%	15.3%	2.6%	150.0%	8.7%	-18.4%
Retail Trade	-1.5%	9.1%	13.8%	15.3%	4.6%	Withheld	-4.6%	59.8%
Transportation	33.9%	15.4%	12.9%	3.1%	-18.7%	30.1%	-36.7%	-27.8%
Information	24.4%	74.7%	11.5%	-4.2%	-0.5%	Withheld	84.7%	77.4%
Finance and Insurance	-9.8%	5.3%	6.9%	2.9%	-1.0%	1.0%	-9.6%	0.0%
Real estate and rental and leasing	-4.7%	0.7%	-0.9%	2.6%	1.7%	Withheld	Withheld	-94.8%
Professional, scientific, and technical services	5.4%	17.1%	1.6%	2.6%	1.1%	33.3%	12.3%	32.1%
Management of companies and enterprises	-22.6%	-100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
Administrative and support and waste management and remediation services	-16.4%	36.7%	1.5%	4.2%	-7.0%	89.7%	1.2%	-25.7%
Educational services	0.5%	12.7%	-2.5%	3.2%	-3.2%	Withheld	11.1%	-83.9%
Health care and social assistance	-1.7%	21.2%	1.3%	-5.3%	-5.4%	33.4%	23.8%	-74.8%
Arts, entertainment, and recreation	-0.9%	16.8%	-0.8%	0.1%	0.0%	Withheld	68.4%	3.8%
Accommodation and food services	6.6%	35.2%	36.1%	147.7%	0.8%	85.7%	13.0%	-74.3%

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Other	14.9%	0.3%	2.8%	2.1%	4.0%	Withheld	-21.9%	-34.6%
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Table 3 Demographics of Seattle Business Owners, 2007-2012, US Census Bureau

While minority firms experienced significant growth in a number of industry sectors, namely healthcare and social services, accommodation and food services, and administrative support and waste management, those industry sectors provided the lowest payroll per employee from 2007 to 2012. Additionally, the payrolls for those industry sectors shrank as a proportion of total annual payrolls across the economy, indicating a downturn in profitability in those industry sectors. The Information sector did provide significantly high growth for minority firms with above average payroll per employee and overall sector growth, yet minority owners were still below their average at 15% of total firms. Conversely, while white ownership stagnated or fell in almost all industry sectors, they retained the highest level of ownership in the most lucrative areas, namely information, arts, entertainment and recreation, and professional, scientific and technical services. Even as minority firms continually increase their presence in the economy, it will largely be in shrinking sectors with thin profit margins and relatively low pay for employees. These figures indicate minority firms have greater difficulty accessing lucrative, growing industries due to high barriers to acquire the necessary financial, social and human capital.

	Health care and social services	Accommodation and food services	Administrative and support and waste management and remediation services	Information	Arts, entertainment and recreation	Professional, scientific and technical services
	2012					
Total Establishments	2711	2823	1158	862	485	4695
Total Employees	72,737	45,976	19,762	26,680	10,159	55,416
Total Annual Payroll	4,343,468,000	970,430,000	846,796,000	2,831,130,000	987,006,000	4,759,390,000
% of Payroll	18.57%	4.15%	3.62%	12.10%	4.22%	20.35%
\$ per Employee	\$59,714.70	\$21,107.32	\$42,849.71	\$106,114.32	\$97,155.82	\$85,884.76
Emps per Est.	26.83	16.29	17.07	30.95	20.95	11.80
	2007					
Total Establishments	2484	2569	1154	773	447	4393
Total Employees	66,658	42,686	23,570	18,721	9,213	52,552
Total Annual Payroll	3,376,301,000	822,350,000	845,541,000	1,407,585,000	972,906,000	4,128,739,000

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% of Payroll	21.23%	5.17%	5.32%	8.85%	6.12%	25.96%
\$ per Employee	\$50,651.10	\$19,265.10	\$35,873.61	\$75,187.49	\$105,601.43	\$78,564.83
Emps per Est.	26.83	16.62	20.42	24.22	20.61	11.96

Table 4 Employees and Payroll for Selected Industry Sectors, 2007-2012, US Census Bureau

Conclusions

As racial and ethnic minorities and immigrants are predicted to become an increasingly larger proportion of the population in the country and in the city of Seattle, it has become increasingly important to review the success of minority entrepreneurs as a means of achieving economic mobility and bringing diversity to the market (Puget Sound Regional Council 2017). Ethnic immigrants and minorities play a vital role in supporting the vitality of Main Street and associated neighborhoods by providing “retail, food and accommodation and neighborhood services”, thereby increasing the quality of life for residents and employees and benefitting employers (Fiscal Policy Institute 2015). Through their social networks and communal relationships, ethnic minorities organize into collective to socially and economically support collective welfare due to the unavailability of assistance from institutional sources, mitigating their demand for public welfare services. While historically limited to establishing businesses in industries with low wages and thin profit margins, ethnic entrepreneurs provide social and economic services to their community while cultivating a second generation of entrepreneurs (Fiscal Policy Institute 2015). Following a quantitative analysis of data from the US Census Bureau and related studies on accessing and developing the necessary social, human and financial capital, minority entrepreneurs in Seattle continue to confront a number of challenges to improving their economic situation.

Minority entrepreneurs in Seattle face a number of market forces, such as unsustainable rents due to rapid gentrification, a lack of community organization and avenue to interact with the government, a lack of institutional programs to support entrepreneurs, such as an incubator or financial resource, and regulations more favorable to incumbents than newcomers (SCP-AAFCI 2017; Fiscal Policy Institute 2015). While minority business owners have been able to take advantage of the tech boom in Seattle, they remain underrepresented in lucrative, growing industries while being caught in low wage, high labor sectors like food and accommodation services. Additionally, minority business owners tend to make less than a skilled salaried worker or a white business owner in the same industry (Fairlie & Robb 2007). From the analysis of the census data, minority entrepreneurs as a whole perform below the national average while different populations require different resources to achieve success; differences in education level, familial relationships and work experience profoundly impact the opportunities within the ethnic enterprise community. Additionally, supporting communities at the neighborhood level allows for greater opportunity

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to share resources and utilize opportunities more efficiently; transitioning enterprises out of the local and ethnic sphere and into the greater economy reduces dependence on an affiliated community for revenues while being able to create jobs.

The examination of the limits on market and social capital for minority enterprises serves to help identify the stakeholder populations for surveying to complement the quantitative analysis above. Well minority enterprises are subject to similar challenges and opportunities; the variety of racial and ethnic groups presents addressing a variety of needs to find success. Based on the assertions illustrating the importance of social relationships to access economic resources, the city of Seattle should assign a specialist of small to medium enterprises within the Office of Economic Development to identify areas of improvement and facilitate the transition into enterprise. Additionally, forming a commission to serve an advisory role to the City Council on the needs and demands of small business owners would help ensure effective policies come along to support them. Lastly, a microloan program for small businesses would serve as a source of emergency funds to vulnerable businesses or support small projects to add value to a business and the greater economy. The dismal proportion of minority firms currently active in the commercial realm demonstrates an opportunity to make significant investments into the business owners of Seattle and diversifying their activities.

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